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UNDP

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF EL SALVADOR

Strengthening of the Planning System

(ELS/78/010)

Report of the Administrator*

Date of present approval:	June 1979
Starting date of project activities:	January 1979 (Including previous assistance)
Planned completion date:	December 1982
To be executed by:	United Nations
Government implementing agency:	Ministry of Planning
Estimated cost of assistance planned under present approval:	$868 400
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. The Five-Year Plan, 1978-1982, is the fourth in the last 15 years through which the Government has been continuously giving impetus to economic and social development. The First and Second Plans constituted an exploratory means for the Government to acquaint itself with the advantages of medium- and short-term planning, pushing forward the development of infrastructure and private enterprise. The Third Plan, 1973 - 1977, was directed towards participation of the major units of the public sector in decision-making and in the annual planning of programmes and projects adjusted to the particular situations obtaining. The Fourth Plan proposes to use the Government's historical experience to modernize the country's economy and to achieve major social progress through the execution of 51 Strategic Programmes based on systematic investment and public expenditure, expanded social projects,, optimum utilization of manpower, and a sound development policy, giving special importance to the role of a dynamic free enterprise.

* In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government of by third-party cost sharing).

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2. The present UNDP project is designed to assist the Government, in general, in strengthening its planning system, and in particular the fourth Five-Year Plan.

II. Objectives and activities

3. The immediate objectives of the project are to: (a) formulate project plans including financial aspects,in conjunction with the Ministry of Finance; (b) develop systems of identification, evaluation and preparation of projects; (c) establish a follow-up system for the Strategic Programmes, projects and national goals, and develop a national information system for the purpose; (d) establish methodological bases for a continuous process of planning (long-term, medium-term and short-term) at all levels, global, sectoral, regional and institutional;(e) programme and carry out economic and social studies of the country;and (g) raise the technical capacity of national personnel to operate and develop the systems to be established, and formulate policies, plans and programmes.

III. Inputs

4. Under the assistance now approved, UNDP will provide, through the Executing Agency over a period of four years 247 man-months of the services of experts and consultants in pre-investment programming and project formulation, in general macro-economic analysis in the preparation, control and financing of the operatiove programmes of the public sector, in social development programmes and projects, in systems and data processing, in integrated rural development and in long-term projections and econometry; (b) a training component; and (c) a small provision for equipment.

5. To carry out the activities for which assistance is now approved, the Government of El Salvador will provide 560 man-months of the services of professionals at the director level , department chiefs, technicians and auxiliaries, seven vehicles, office space, office equipment, office supplies and insurance and maintenance of vehicles.

IV. Financial data

6. The expenditure components of the planned assistance are as follows:

	Previous assistance(PA)	Present approval	Total approved
	$	$	$
Personnel	144 000	757 100	901 100
Training		60 000	60 000
Equipment		40 000	40 000
Miscellaneous	1 000	11 300	12 300
	145 000	868 400	1 013 400

7. The estimated total value , expressed in U.S. dollars, of inputs provided directly by the Government to the project is $4,150,000 in kind.

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